

FISCAL NOTE

Bill #: SB0006

Title: Eliminate special TANF authority/approp. from 2001 session

Primary Sponsor: John Cobb

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2003 Difference</u>	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
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Net Impact on General Fund Balance: No fiscal impact

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

Department of Public Health and Human Services

ASSUMPTIONS:

1. HB 273 of the 2001 legislative session directed that the Department of Public Health and Human Services shall transfer \$3,415,928 of the TANF block grant to the Affordable Housing Revolving Loan Account.
2. HB 2 of the 2001 session identified a line item biennial appropriation of \$3,464,561 for Low-Income Housing.
3. To date only \$8,083 TANF federal funds have been used for this purpose.
4. HB 2 provided language to adjust this line item and other FAIM II R item projects if certain conditions existed.
5. The appropriation has been reduced due to growth in public assistance recipients and the need for additional funding to provide benefit payments to this increased caseload. The current HB 2 appropriation for the low-income housing line item is \$1,066,816.
6. This bill would transfer money in excess of \$700,000 from the Affordable Housing Revolving Loan account to the federal special revenue TANF block grant.
7. The bill directs DPHHS to execute this transfer.

(continued)

ASSUMPTIONS:

8. Currently, the fund balance in the Affordable Housing Revolving Loan account is approximately \$511,000 with most of the funding transferred to this account from the low-income Section 8 Housing Program funding.
9. It is not anticipated that the Affordable Housing Revolving Loan account will exceed \$700 thousand; therefore, no fiscal impact has been identified.
10. The \$3,415,928 in TANF funding allocated to the Affordable Housing Revolving Loan Account in the last legislative session has not been transferred to the account because transfers are predicated upon having a qualifying applicant and the transfer is made to the direct benefit of the applicant. Therefore, no TANF funds have been deposited into the Affordable Housing Revolving Loan account.
11. The administrative costs of the program remain whether TANF funds are received or not because other funding sources have contributed to the account.

FISCAL IMPACT:

No fiscal impact

LONG-RANGE IMPACTS:

1. This bill removes the obligation of \$3,415,928 included in Section 2 of HB 273 of the 2001 session.
2. The number of TANF eligible families would not be assisted in obtaining housing unless other sources of funding can be found.

TECHNICAL NOTES:

1. SB 6 strikes section 2 (b). This section states how the funds can be used. Any funds transferred from the TANF block grant must be spent in accordance with Title IV of the Social Security Act, 42 U.S.C. 601. Thus if this section were to be stricken then no TANF transfers could occur.
2. Section 2 addresses the transfer of money in excess of \$700,000 from the housing revolving loan account to the TANF block grant. DPHHS does not control this account so it could not transfer any funds.
3. Section 2 of the bill requires the transfer of funds in excess of \$700,000 from the Affordable Housing Revolving Loan account to the TANF account. Since no TANF funds have been deposited into the account, the funds deposited by other contributing entities would have to be transferred to TANF whenever said funds are in excess of \$700,000. Since TANF has not deposited any funds into the account, it is questionable as to why TANF would be entitled to the contributions other entities might have made to the Affordable Housing Revolving Loan program.
4. It would be helpful to clarify the relationship between this bill and HB 2 with regard to the amount of the appropriation to be transferred. This limited amount to be transferred should be reflected in an amendment to HB 2 to align the amount. Without this clarification, there will be one amount in the appropriation bill, currently exceeding \$1 million, and another in this bill.